

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Global Expedited Package Services Contracts  
Non-Published Rates

Docket No. MC2012-4

Competitive Product Prices  
Global Expedited Package Services Contracts  
Non-Published Rates 3 (MC2012-4)

Docket No. CP2012-8

PUBLIC REPRESENTATIVE RESPONSE TO POSTAL SERVICE  
MOTION FOR PARTIAL RECONSIDERATION

(February 1, 2012)

On January 20, 2012 the Commission approved the Postal Service's Request to add Global Expedited Package Services Non-Published Rates 3 to the competitive product list. See Order No. 1161. On January 25, 2012, the Postal Service requested that the Commission reconsider the requirement that

[w]ithin 30 days of the expiration of each contract, the Postal Service shall file costs, volumes, and revenues disaggregated by weight and country group associated with that contract, including any penalties paid.

Postal Service Motion for Partial Reconsideration.

The Postal Service contends that this requirement is burdensome, and through past experience, the Commission should waive this requirement.

**Discussion**

The Public Representative believes that the cost, volume and revenue data for each contract filed within 30 days of the expiration of each contract is still necessary. This data is necessary to evaluate whether the contracts are profitable and whether the Postal Service should continue entering into similar contracts.

While the contract specific data that is required in the Postal Service's Annual Compliance Report (ACR) pursuant to 39 C.F.R 3050.21(g) is useful, it will not give an accurate understanding of how the contracts are performing throughout the year. Since GEPS-NPR contracts are essentially preapproved by the Commission, getting contract specific data as soon as possible will help the Commission ensure that the contracts within GEPS-NPR are performing as expected. This data will also help the Commission and the Postal Service determine if adjustments to the financial models are necessary to ensure future similar contracts are profitable. GEPS-NPR contracts began in 2011, so the first contracts will soon be expiring, and the Commission will be able to take its first look at contract year GEPS-NPR data.

It is unclear why filing the required data will be burdensome because the Postal Service should already have the information. First, the Public Representative assumes that the Postal Service collects the data at the end of each contract to determine if it should enter into another similar agreement with the customer. The Postal Service likely looks at the cost coverage of the contract, and whether the customer met all of the volume and revenue commitments. Therefore, it should not be burdensome to simply file the already prepared financial workpapers with the Commission.

Second, contract specific data is required in the Postal Service's Annual Compliance Report (ACR) on a fiscal year basis pursuant to 39 C.F.R 3050.21(g). Since similar data is required for each contract in the ACR, the Postal Service should be collecting this data throughout the year. Again, the Public Representative does not believe the Postal Service filing already prepared data with the Commission throughout the year should be burdensome.

If the Commission decides to grant the Postal Service's Motion, and no longer requires detailed contract specific data throughout the year, the Public Representative believes that the Commission should still require a report on the profitability of each contract. At a minimum this report should include (1) whether the volume/revenue commitments of the contract were met; (2) the cost coverage of the contract over the

term of the contract; and (3) if the Postal Service has decided to enter into another similar contract with the customer.

The Public Representative respectfully submits the foregoing response for the Commission's consideration.

Respectfully submitted,

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